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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration
Washington, D. C.

December 31, 1942

ADMINISTRATOR'S MEMORANDUM NO. 15

Delegation of Authority and Policy and Procedure for
Section 32 Purchase Programs

The regionalization of AMA, recent organizational changes, and the approval by the Secretary of Agriculture of the master Section 32 docket required revisions in the procedure for developing and carrying out the Section 32 purchase and distribution programs. The general policy and procedure for Section 32 purchase programs was outlined in Administrator's Memorandum No. 2, Supplement Q. This memorandum will cover the details of operation and the necessary delegation of authority.

Delegation of Authority for Section 32 Purchases

Administrator's Memorandum No. 2, Supplement I, provided that, effective September 15, administration of Section 32 purchases in the field were to be assigned to the regional administrator for supervision. Authority is hereby delegated to regional administrators, as of that date, to conduct Section 32 purchase operations within the framework of the policy and procedure laid down by this memorandum and by subsequent communications. All field personnel engaged in this work are transferred to regional administrators together with property, files, and records. The regional administrators or their designated representatives have authority to certify vouchers for payment for purchases made in the region.

Authorization for Section 32 Purchase Programs

General authorization to the Administrator for all Section 32 purchase programs is now contained in a master Section 32 docket. This was approved for 1943 by the Secretary on November 7, 1942. It embraces all Section 32 purchase dockets approved since July 1, 1942. In this docket which covers all commodities purchased for Section 32 purposes, the Secretary has determined that purchase, processing, and exchanging of these commodities, made in accordance with conditions set forth in the docket and distributed as provided in the docket, constitute a diversion from the normal channels of trade and will effectuate substantial accomplishment of the purposes of Section 32 by encouraging the domestic consumption of these commodities. The master Section 32 purchase docket will be prepared annually on a fiscal year basis. It is the responsibility of the Assistant Administrator in charge of requirements to have it prepared.

Revised Procedure Under the General Docket

The master docket requires that prior to making purchases of any commodity the Administrator or Acting Administrator shall approve and transmit to the Secretary a memorandum of a supplemental commodity purchase program for the commodity or commodities concerned. Purchase operations for the commodity or commodities concerned may then be started unless the supplemental program is disapproved by the Secretary within two work days after it is received in the Secretary's Office. Such purchases shall be discontinued at any time at the direction of the Secretary. It is the responsibility of each commodity branch to prepare the memorandum for the signature of the Administrator or Acting Administrator for transmission to the Secretary. The program designation symbol and number for each such program assigned by the Permanent Records Unit.

The memorandum to be transmitted to the Secretary for each supplemental commodity program shall contain the following information in addition to any economic data or other information in support of the program: (a) the commodity or commodities to be purchased; (b) the maximum sum to be expended in connection with such commodity or commodities; (c) the maximum quantity to be purchased; (d) the area or areas in which purchases are to be made; (e) the maximum or base price to be paid; (f) the method or methods by which purchases are to be made; (g) grade or grades of the commodity to be purchased; (h) class or classes of vendors from whom purchases may be made; (i) inspection requirements; (j) any other limitations, explanations, or conditions, including processing and exchanging which is involved, which are permissible and appropriate or desirable for the accomplishment of the purposes of the program.

The memorandum of the Administrator to the Secretary shall be prepared with an original and six copies which the commodity branch shall forward to the Assistant Administrator in charge of requirements who will in turn forward them to the Administrator. The Administrator will sign the original and one copy of the memorandum. After approval by the Administrator, he shall forward all copies of the docket to the Assistant Administrator in charge of management who shall in turn transmit the signed copy to the Secretary's Office by special messenger.

Unless notified of disapproval by the Secretary within two work days of receipt of the Administrator's memorandum by the Secretary's Office, the Assistant Administrator in charge of management will forward the remaining copies to the Permanent Records Unit. The Permanent Records Unit shall retain the original and one copy in its files and shall distribute the remaining copies as follows: one copy to the commodity branch (the receipt of which shall serve to indicate to the branch that the Secretary has not disapproved within the time limit) one copy to the Assistant Administrator, one copy to the Fiscal Branch, and one copy for Distribution Branch.

Method of Originating a Program

The memorandum of the Administrator to the Secretary will be prepared by the commodity branch as a result of (1) recommendations from the regional administrators concerning the need for a program; (2) requests of the industry concerned to the Washington office of AMA or to the regional administrators of AMA; (3) observations of the market situation made by the Washington office supported by field reports; (4) recommendations of the Distribution Branch.

Programs may be carried out through a transfer from other purchase programs to Section 32, through purchases in Washington by the Commodity Branches or in the field by the Regional Administrator. In any event, all available facts and information and recommendations concerning a proposed program will be presented to the commodity branch concerned to permit them to formulate and clear the necessary memorandum; if the purchases are to be made in the field, the commodity branch concerned will consult with the regional administrators involved prior to clearance of the memorandum.

The regional administrators will furnish the following information in making their recommendations for a field purchase program: A survey of the crop acreage involved, the yield, the area of production, a comparison of the present acreage and area of production with that of the previous year, the number of producers involved, and the opinion of producers on the need for price support. In addition the information from the regional administrators should include, where possible on the basis of meetings with the Producers' Committee, recommendation as to the number of cars, the grade and price needed to stabilize the market, proposed methods of purchase, inspection arrangements, and class of vendors from whom purchases may be made.

In connection with a field purchase program, a Producers' Committee, whenever possible, should immediately be organized by the Regional Administrator in the state or states where purchases are contemplated. Past experience has shown that through the use of a local Producers' Committee, the Regional Administrator will have access to practical advice and knowledge which will be helpful in carrying out purchase activities in the field.

a. Forming a Producers' Committee: Regional administrators should rely largely on the producers in the selection of individuals who will serve gratuitously on a Producers' Committee. If an administrative committee for marketing agreements is already in existence, no additional committee need be set up. War Boards should be consulted. However, this should not preclude setting one up if one is needed. Precautions, of course, must be taken to assure that members of a Producers' Committee are impartial with respect to the interest of any single producer or group of producers,

that they are concerned with the interests of growers as a whole, that they are as truly as possible representatives of the producers in the particular production area. In some lines a processor or two might be used to advantage on this committee. In addition to producers or producer representatives, there should be represented on the committee, whenever possible, State Agricultural College representatives, county agricultural agents, cooperative associations which are representative of producers, or individuals or agencies who may be partial to producer interests, and who could contribute helpful advice and assistance in the execution of the program, including the State or County War Boards.

In small or concentrated producing areas, a small Producers' Committee composed of four or five members may be sufficient. In a large or widely scattered producing area, it may be necessary to organize a series of sub-committees representing one or more producing districts. In these instances, the principal committee, which would be in direct touch with the Regional Administrator, would be composed of the chairmen of the various sub-committees.

The Washington commodity branch must be furnished names of members of the Producers' Committee immediately upon the formation of such committee.

b. Services Performed by the Producers' Committee: A Producers' Committee should primarily assist the regional administrator in an advisory capacity in formulating and executing the purchase program. The committee should be in a position to furnish or obtain information relative to quantity, quality, and location by district of existing supplies of the commodity, principal points at which purchases and deliveries will be made, facilities for packing, or processing, and to furnish other economic and industrial information of a general nature. The committee should be called upon to make recommendations as to grade and price which will be considered in establishing the basis of purchase. The committee should be called upon to allocate purchases among producers when necessary and to assist in the general organization of the program.

The regional administrator or designated representative in charge in each area of purchase shall attend each Producers' Committee meeting, and immediately thereafter shall prepare a transcript of such meeting for the regional office including names of persons attending, resolutions, activities, allocations made, and basis of allocations. A copy of this transcript shall be forwarded to the commodity branch.

Distribution

In preparing to draft the memorandum to the Secretary for any purchase program, the commodity branch will notify the Distribution Branch of the pending program, requesting from that branch an indication of the probable distribution outlets.

The Distribution Branch will furnish the distribution projection on the basis of past experience tempered with present knowledge of distribution outlets, etc., and in consultation with the Transportation and Warehousing Branch.

The Commodity and Distribution branches will confer to arrive at a maximum quantity of the commodity to be purchased, and the Distribution Branch will allocate the commodities purchased for distribution purposes to the regional administrators for reallocation to the respective State welfare agencies.

The mechanics of allocation, reallocation, and ordering are as set forth in detailed procedures provided by the Distribution Branch.

Program Development

The regional administrators of AMA have been delegated responsibility for conducting Section 52 purchase programs. Authority to conduct specific purchase programs will be in the form of a purchase authorization to the regional administrator from the chief of the commodity branch, which he will prepare within the limitations of the memorandum to the Secretary previously prepared. These purchase authorizations may be prepared simultaneously with the memorandum to the Secretary or subsequent to its approval.

In preparing the authorization for any purchase program, the commodity branch will confer with respective regional administrators with regard to the areas of purchase and the time to begin purchasing in each area. This factor is especially important since there are frequently several areas of purchase in the same region. Also depending on the commodity to be purchased and the form in which it is to be shipped after purchase, the regional administrator should determine that there are available adequate facilities for handling such important phases of purchasing and shipping as grading, inspection, sampling or testing, weighing where necessary, packing or processing, loading, protective shipping services such as precooling, icing or heating, and that there is available an ample supply of containers, complying with carriers' tariff specifications, for shipping the commodity purchased.

Upon receipt of this information for each purchase area the commodity branch will evaluate the recommendations against the industry-wide problems, prepare the purchase authorization for a given period and issue it to the regional administrators concerned. For informational purposes only, the commodity branch will send to each regional administrator copies of purchase authorizations issued to other regional administrators.

The purchase authorization will be a purchase plan to cover the period of purchase contemplated which will vary with the growing or producing season. The purchase authorization shall include the total quantity to be purchased in the region, the containers to be used and the net content

of the commodity in the containers, the maximum price to be paid for the commodity in the various containers, the minimum grade of the commodity, an allotment of funds to cover the purchase and other relevant information. The purchase authorization shall also show a program symbol and number reflecting the region in which the purchase is to be made. This allotment shall be made with the approval of the chief of the Budget Division of the Fiscal Branch, or his delegate, but no fiscal control shall be set up in Washington to cover regional allocations under these allotments, since this will be the responsibility of the regional Fiscal Division.

Authorization symbols shall be determined as follows: First, the program symbol from the memorandum - Example, J-32a.

Second, a symbol indicating the region, as follows:

Northeast.....	NE
Southern.....	SN
Great Lakes.....	GL
Southwest.....	SW
Midwest.....	MW
Rocky Mountain.....	RM
Pacific.....	PC

Example; J-32a-NE

Third, a number to indicate whether the authorization is the original or an amendment thereto: 1 for the original, 2 for the first amendment, 3 for the second amendment, etc. Example, J-32a-NE-3.

The third item need not be shown on operating documents.

It will be the complete responsibility of each regional administrator receiving a purchase authorization addressed to him to carry it out within his region. To alter the specific price, quantity, and grade to be purchased as stated in the purchase authorization for any State or other purchase area, the regional administrator or his designated representative will make a recommendation to the commodity branch by telephone, wire or letter. Approval of these recommendations by the commodity branch is necessary in order to avoid dislocation of the market from a nation-wide point of view. On approval of his recommendation, the regional administrator will issue buying directions to his field purchase agents instructing them to make the purchase.

The delegation of authority to regional administrators to conduct Section 32 purchases carries with it the responsibility to use this authority within the bounds of policy set by the commodity branches. This means a close integration of prices, amounts and grades of commodities bought throughout the country. Changes in the terms and conditions of the purchase authorization should not be made, therefore, without specific approval,

verified in writing, from the chief of the appropriate commodity branch, to be obtained as described above.

In event any normal operational area of purchase extends over two or more regions, the regional administrators concerned shall first agree as to which regional administrator is to have jurisdiction over that area for that program and shall so notify the commodity branch. The commodity branch will document this agreement in the purchase authorization by naming as the area of purchase the region responsible for the program plus the other state or states concerned. There may be some instances in which prompt agreement may not be reached. In such cases the commodity branch will notify the Administrator and recommend action.

Delayed payment or non-payment to vendors resulting from failure to observe terms and conditions in the authorization and subsequent directions which appear inadvisable with respect to quantities, grades, prices, varieties, or other specifications.

The purchase authorization number shall appear on all documents, such as vouchers, orders for services, bills of lading, etc., pertaining to that program in order that all concerned can determine under what authority the purchase was made.

Periodically during the conduct of a program purchase plans for each area of purchase will be reevaluated by the commodity branch pursuant to their studies of the commodity situation and to recommendations submitted from the region and the industry. Pursuant to these revaluations, additions or amendments to purchase authorizations will be issued by the commodity branch.

At the conclusion of operations under each program in each region, the regional administrator shall immediately advise the commodity branch of the total purchases and total expenditures, including commodity, transportation, services, etc. for that program. Immediately upon receipt of this information, the commodity branch shall issue amendments to each respective purchase authorization reducing the authorized expenditure to the amount actually expended or obligated for expenditure. Such authorizations shall be cleared and distributed in the same manner as an original purchase authorization.

Program Operations

In initiating purchase programs and in notifying the industry or prospective vendors in the area of purchase as to grades, prices, or other terms and conditions of purchase, the regional administrator or his representative shall issue a purchase announcement. Immediately after issuance of such purchase announcement, two copies should be forwarded to the Washington commodity branch and two signed copies to the appropriate regional Fiscal Division.

Contracts

Written contracts are used under any offer and acceptance plan of purchase. Contracts and their relating papers require extreme care in use, preparation, and handling. Regional administrators are thereby cautioned to see that all personnel handling contracts are well versed in their duties. Specimen announcements and contract forms will be furnished the regional administrator prior to the operation of the program by the commodity branches.

Essentially, all contracts are handled alike, and the instructions which follow are applicable to the handling of whatever contract may be designated for use under any particular program. This procedure is seldom used in making field purchases. It is included here tentatively for planning, discussion, and criticism.

a. Obtaining Offers: When advised by the Washington commodity branch to obtain offers, the regional administrator shall issue an announcement to interested parties setting forth terms and conditions of purchase or processing, period of purchase or processing, etc. Interested parties shall also be furnished four copies of the offer and one copy of instructions as to how to prepare the offer form.

All offers shall be returnable to the office of the regional administrator on a specified date or at a specified time. Upon receipt of offers (four signed copies) the regional administrator shall examine all offers as to correctness of preparation and shall prepare an abstract of offers showing name of offerer, address, loading, shipping or delivery point, processing period and processing charge, or delivery period and commodity price. A brief of this abstract shall be wired or telephoned to the Washington commodity branch as directed. The original, signed, and one copy of this abstract shall be mailed by fastest post to the Washington commodity branch.

b. Acceptances: The regional administrator will be advised by the Washington commodity branch as to which offers are to be accepted. Such offers shall

be accepted, in the space provided, by the regional administrator, and shall be assigned a contract number from a series of numbers which will be furnished by the commodity branch. One copy of each rejected offer shall be filed for reference, and all other copies returned to the offerer. The date of any contract is the date of the acceptance of the offer.

Disposition:

Original, signed, to regional Fiscal Division
One copy, signed, to the offerer
One copy, signed, to the regional office files

c. Abstract of Acceptances: An abstract of accepted contracts shall be prepared by the regional administrator showing the name of the contractor, address, contract number, contract date, delivery point, quantity or quantities, conversion factor (if any), the product of such conversion (if any), processing charge or price, originating carrier, and amount of performance bond requested and quantities to be delivered weekly or monthly.

Disposition:

Original, signed, and one copy, unsigned, to the Washington Commodity branch
One copy, signed, to the regional Fiscal Division
One copy, unsigned, to the regional files
One copy, signed, to the Washington Distribution branch

The contents of all contracts are confidential and shall not be divulged unless prior authority has been received from the Washington commodity branch.

d. Amendments: It may become necessary to amend contracts during the course of the program. Specimen forms of Letters of Amendment will be furnished the regional administrator when necessary. Regional administrators shall not issue Letters of Amendment without receiving prior authority to do so from the Washington commodity branch. Letters of Amendment shall be prepared, and distributed in original and two signed copies as are the contracts, signed by the regional administrator, and confirmed by the contractors.

e. Affidavits: Some contracts require that contractors shall furnish the AIA with specified affidavits prior to delivery of the commodity being handled. The regional administrator will be furnished a supply of such affidavits, if necessary, prior to the operation of the program. All affidavits shall be completed according to the headings thereon.

Disposition:

Original, signed, to regional Fiscal Division
One copy, unsigned, to the regional office files

Bonds

Some contracts require that the contractor post a performance bond or

certified check with the AMA to insure complete and proper performance under the contract. The amount of the bond shall be set by the regional administrator at the time of acceptance of the offer, and shall be calculated on the basis as set forth in the offer.

In the event the nature of the program is such that there shall be only one contract with any one contractor for all deliveries for the duration of the program, bond shall be furnished on U.S. Standard Form 25, and shall be in an amount sufficient to protect the one contract. Or, if the nature of the program is such that there will be more than one contract with any one contractor during the operation of the program, bond shall be furnished on U.S. Standard Form 35, (annual bond), and the initial bond shall be in an amount to protect the one contract.

The regional administrator shall be charged with the responsibility to determine that the amount of such bond is always sufficient to cover, at the rate prescribed, the quantity of the commodity delivered to the contractor for which an equivalent quantity of the processed commodity has not been returned. If at any time the amount of such bond is thus insufficient an additional bond shall be obtained in sufficient amount. Contract bonds subject to adjustment at the end of the contracting period are well adapted for this purpose.

All bonds shall be prepared in accordance with instructions contained therein, and shall be distributed in the same manner as the contract. In preparing Standard Form 25 there shall be inserted in the body of the bond the applicable contract number, and a brief statement as to the nature of performance under the contract, thus: "Processing fresh grapefruit for the Agricultural Marketing Administration under Contract No. AMA(1)-4153."

In preparing Standard Form 35 there shall be inserted in the body of the bond a brief statement as to the nature of performance under the contracts, thus: "Processing fresh grapefruit for the Agricultural Marketing Administration."

If an annual bond is used the amount of such bond shall be prescribed in a letter to the contractor (copies of which shall be forwarded to the Washington commodity branch), and the acceptance portion of the contract shall state, "Included in Annual Bond."

Certified check in lieu of bond, if used, shall be made payable to the "Treasurer of the United States, AMA" and shall be forwarded by the contractor by registered mail to the regional Fiscal Division.

Inspection and Shipping

Inspection of the commodity to be purchased shall be performed by the agency named prior to the operation of the program.

The custody and disposition of Sec. 32 purchases in the field shall be the responsibility of the regional administrators under the general policy direction of the Transportation and Warehousing Branch in Washington.

Immediately after the commodity is delivered to the shipping point and inspection and checkloading are completed, it is shipped or delivered to the consignee. The procedures for inspection and shipping will be covered in the revised field purchase manual. Briefly, the shipping procedure is as follows:

Regional Custody and Disposition

1. The regional office in which the purchase is being made will decide which delivery orders are to be assigned each field area purchase office and, if necessary, on instructions from the Washington office of the Distribution Branch the number of cars to be placed in storage. The regional office will also determine, in collaboration with its field purchase office, the routing, and may authorize carriers to ship by the most economical route to the government where transits are not involved.
2. The regional office will prepare bills of lading for shipments against delivery orders received and for storage movements, if any; it will make contracts for required storage space, and will transmit delivery orders, bills of lading and other shipping instructions to respective field area purchase offices.
3. At this point, field area purchase offices will purchase and direct shipments. Briefly, the regional office will substitute for the Washington office at this stage, furnishing the Washington offices of the respective branches with such reports as may be required.
4. Each regional office issuing shipping orders is responsible for cars stored pursuant to its orders and shall remove such cars from storage for delivery to the States as may be later directed by the Washington office of the Distribution Branch.
5. Responsibility for settlement of loss and damage claims rests on the regional administrator of the region of destination. It shall be the responsibility of all regional administrators concerned to supply, promptly, all information necessary to the settlement of such claims.

Storage

Occasionally, in the operation of a purchase program, it will become necessary to store a quantity of a commodity pending distribution to the States. This section outlines the steps to be followed by field representatives in shipping to storage and in assisting in obtaining storage space.

a. Obtaining Storage: When it is apparent in formulating a purchase program that storage space will be needed, the Transportation and Warehousing Branch in Washington will be notified of the approximate quantities to be stored and in what areas the commodity is to be purchased and distributed. The Transportation and Warehousing Branch will then supply information on outstanding contracts for storage of the commodity, the rates quoted, and a list of available warehouse facilities in the area with an indication of which warehouse to use to protect through rates. The contracts for storage space will be negotiated and executed in the regional office.

All storage contracts will be executed on the approval form of storage contract currently in use by the Transportation and Warehousing Branch. Performance bonds, the face value of which shall be based on 20% of the value of the commodity to be stored, will be required in amounts prescribed per unit for each commodity stored. All storage contracts and bonds will be executed at and distributed from the regional office.

For informational purposes, abstracts of accepted storage contracts will be sent to the Transportation and Warehousing Branch in Washington.

b. Shipping to Storage: Orders for movement of the purchased commodity to warehouses will be issued by the regional office. Commodities may be moved to warehouses under government bills of lading or, if the warehouse is located in the area of production, by the vendors at no cost to the Administration.

If delivery is made under a government bill of lading the regional administrator shall, at the time of forwarding the original and one copy of the bill of lading, send to the receiving warehouse an original and four copies of a properly prepared Form SMA 1480, Shipping Notice and Receipt.

If delivery is not made under government bill of lading the regional administrator shall, at the time of issuing loading instructions to the vendor, send to the receiving warehouse an original and four copies of a properly prepared Form SMA 1480, Shipping Notice and Receipt.

Proper instructions to warehouses shall be issued by the regional office.

c. Withdrawing From Storage: All out movements from storage will be handled from the regional office on instructions from the Distribution Branch in collaboration with the Transportation and Warehousing Branch. Specific instructions to warehousemen will be issued by the regional office at the time such movement is required.

d. Claims for Payment: Instructions governing preparation and submission of claims for payment for warehouse services performed will be issued to all contracting warehouses by the regional office.

e. Through Rates: When it becomes necessary to store purchased commodities, careful consideration should be given to the possible future destination so that storage can be secured at points that will enable the AMA to protect through rates from origin to final destination.

Orders for movement to warehouses will be issued by the regional office in areas in which purchase is made as well as notification to warehousemen and carriers regarding establishment of storage-in-transit, and the necessary documents required from carriers. They will also issue outbound shipping instructions.

Reports

Regional administrators will be responsible for furnishing the commodity branches with specified reports of the purchase operations in their respective regions. These are:

a. Daily Report: The regional administrator shall report each working day to the Washington commodity branch by teletype or the fastest post the following:

Shipments: All shipments made each day shall be reported under each purchase authorization, indicating quantity shipped, grade, unit prices at which purchases were made, and whether bulk or packed in containers. Shipments shall be reported by AMA delivery order numbers or shipping order numbers, which shall be grouped according to price, grade, and type of container. Cumulative shipments through

the date of the wire, grouped as indicated, shall also be reported. If purchases are being made under contract or for delivery to contractors, or shipments are being made under processing contracts or to storage such deliveries or shipments shall be reported grouped by contract number, and cumulative totals shall be similarly grouped.

b. Promptly at the close of each program a Final Statistical Report as follows, copies of which shall go to the Fiscal Branch, the Commodity Branch and the Transportation and Warehousing Branch.

1. Summary of purchases by grades; and including lowest unit cost, highest unit cost, average unit cost, quantity purchased, total commodity cost.
2. Summary of purchases by states of origin, and for each state the number of cars, quantity, average unit price, commodity cost.
3. Summary of shipments by points of origin, and for each point of origin the period of shipments, number of cars, quantity, average unit price, total commodity cost.
4. Summary by states of origin and by states of destination, showing states of origin, state of destination, number of cars, quantity, total cars from each state of origin, total quantity from each state of origin.

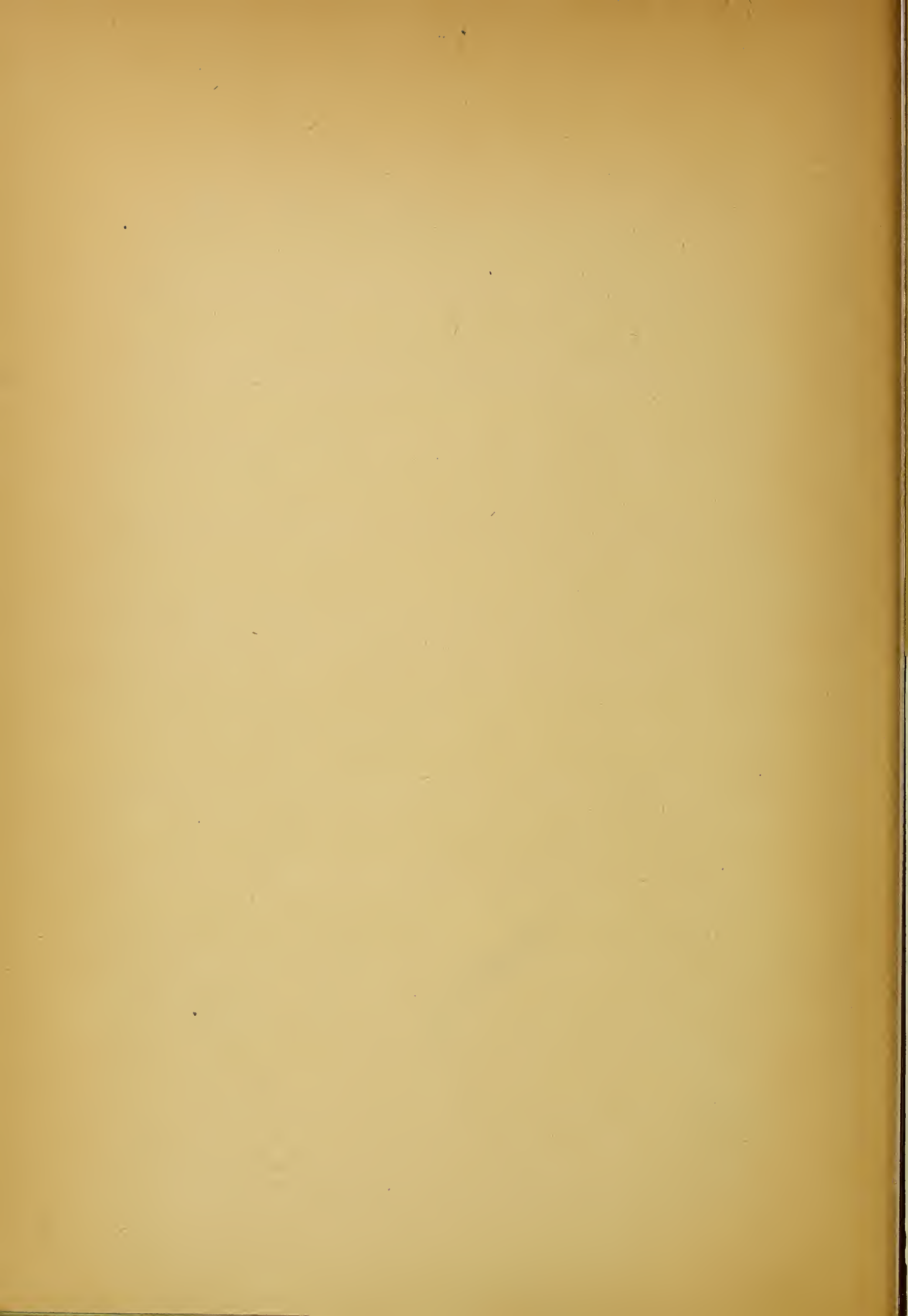
Records

It will be the responsibility of each regional administrator to maintain carlot files for all purchases within his region. All such files concerning "H" and "I" programs shall be sent to the Transportation and Warehousing Branch as soon as completed. All other carlot files, for "J" programs, shall remain in the regional offices.

These files are used by fiscal representatives, auditors, shipping personnel concerned with loss and damage, etc., and are the permanent records of the Administration.

Storage records of purchases placed in storage shall be maintained by the region originally making the purchase regardless of the region of storage.

Administrator



NOTICE

Please substitute the attached corrected page 7 of Administrator's Memorandum No. 15, dated December 31, 1942, in place of page 7 which now appears in the memorandum.

1891

1891. The first of the year was a very dry one, and the crops were much injured. The weather was very hot, and the crops were much injured. The weather was very hot, and the crops were much injured.

verified in writing, from the chief of the appropriate commodity branch, to be obtained as described above.

In event any normal operational area of purchase extends over two or more regions, the regional administrators concerned shall first agree as to which regional administrator is to have jurisdiction over that area for that program and shall so notify the commodity branch. The commodity branch will document this agreement in the purchase authorization by naming as the area of purchase the region responsible for the program plus the other state or states concerned. There may be some instances in which prompt agreement may not be reached. In such cases the commodity branch will notify the Administrator and recommend action.

Delayed payment or non-payment to vendors resulting from failure to observe terms and conditions of purchase authorizations and subsequent directions will be considered the responsibility of the regional administrator.

Regional administrators should advise the Washington commodity branch of terms and conditions in the authorization and subsequent directions which appear inadvisable with respect to quantities, grades, prices, varieties, or other specifications.

The purchase authorization number shall appear on all documents, such as vouchers, orders for services, bills of lading, etc., pertaining to that program in order that all concerned can determine under what authority the purchase was made.

Periodically during the conduct of a program purchase plans for each area of purchase will be reevaluated by the commodity branch pursuant to their studies of the commodity situation and to recommendations submitted from the region and the industry. Pursuant to these revaluations additions or amendments to purchase authorizations will be issued by the commodity branch.

At the conclusion of operations under each program in each region, the regional administrator shall immediately advise the commodity branch of the total purchases and total expenditures, including commodity, transportation, services, etc. for that program. Immediately upon receipt of this information, the commodity branch shall issue amendments to each respective purchase authorization reducing the authorized expenditure to the amount actually expended or obligated for expenditure. Such authorizations shall be cleared and distributed in the same manner as an original purchase authorization.

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b. Acceptances: The regional administrator will be advised by the Washington commodity branch as to which offers are to be accepted. Such offers shall